

PUBLIC DISCLOSURE

April 9, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Kentucky Bank, Inc.
Certificate #21247**

**223 South Sixth Street
Mayfield, Kentucky 42066**

**Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

Institution Rating.....	1
Scope of Examination.....	2
Description of Institution.....	3
Description of the Assessment Area.....	6
Conclusions with Respect to Performance Tests.....	10
Appendix A.....	21

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated: Outstanding.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

First Kentucky Bank, Inc. (First Kentucky) has an outstanding record of helping to meet the credit needs of the assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. The Outstanding Community Development Test rating proved sufficient to lift the Satisfactory Lending Test rating to warrant a higher rating overall, thus supporting the overall rating assigned.

Lending

The following statements summarize the institution's overall lending performance:

- The loan-to-deposit ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and the assessment area credit needs.
- A substantial majority of loans and other lending related activities are the institution's assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and to businesses of different sizes.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The institution has not received any complaints about its performance in meeting assessment area credit needs.

Community Development

The institution's community development performance demonstrated excellent responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

SCOPE OF EXAMINATION

A full-scope review was performed of the assessment area delineated by the bank. First Kentucky was rated “Satisfactory” at the previous CRA evaluation performed as of November 15, 2010. The 2010 CRA evaluation and the current evaluation utilized the “intermediate-small bank” performance standards. Under these procedures, the bank is evaluated under two separate tests: the Lending Test and the Community Development Test.

Under the Lending Test, the following criteria were evaluated:

- Loan-to-deposit ratio
- Lending in the assessment area
- Lending to borrowers of different income categories and to businesses of different sizes
- Geographic distribution of loans within the assessment area by geography
- Response to consumer complaints

In assessing the performance under the Lending Test, the two largest categories of loan types based on the most recent Consolidated Report of Condition and Income (Call Report) include home mortgage and commercial loans. Aggregately, the two loan categories represent approximately 78 percent of the total loan portfolio, and were therefore selected for review. Further, these categories reflect the assessment area’s greatest credit needs. This evaluation did not consider farm and consumer loans since these categories are not a significant part of the loan portfolio.

The evaluation of the lending performance is based on home mortgages and small business loans. The bank originated 181 home mortgage loans aggregating \$17.9 million during 2013. First Kentucky does not report home mortgage lending pursuant to the Home Mortgage Disclosure Act (HMDA), so the analysis of home mortgage lending was based on a statistical sampling of loans using data collected from credit files. A random sample of 37 home mortgage loans was selected from loans originated between January 1, 2013 and December 31, 2013. A sufficient number of loans were selected to achieve a 90 percent confidence interval with a 15 percent level of precision. All 37 sampled loans were analyzed under the “lending in the assessment area” criterion. However, under the “lending to borrowers of different income categories” and “geographic distribution of loans” criteria, the analyses included sampled loans extended only within the assessment area in 2013.

In addition, a random sample of all commercial loans originated between July 1, 2013 and December 31, 2013 was reviewed. During this 6-month period, the bank originated 92 commercial loans totaling \$9.4 million. A random sample of 37 loans was selected in assessing performance under the “lending in assessment area.” However, only the 34 loans extended within the assessment area were used in assessing performance under the “lending to businesses of different sizes” and “geographic distribution of loans” criteria. These loans serve as the basis for the conclusions with respect to small business lending performance. Small business loans, or "loans to small businesses," as defined in the Call Report, have original amounts of \$1 million or less and are secured by non-farm non-residential properties or loans classified as commercial and industrial. The evaluation used verified bank reports to identify these loans.

Under the Community Development Test, performance was evaluated based on participation in qualifying community development activities, through either loans, investments, or services, since the previous evaluation. Per the CRA regulation definition, "community development" means: 1) Affordable housing including multifamily rental housing for low- or moderate-income individuals; 2) Community services targeted to low or moderate-income individuals; 3) Activities that promote economic development by financing businesses or farms that meet certain size eligibility requirements; or 4) Activities that revitalize or stabilize low or moderate-income geographies, designated disaster areas, or distressed and/or underserved nonmetropolitan middle-income geographies. These activities can be in the form of loans, investments, or services. Qualifying activities were evaluated in light of available opportunities to participate in such activities within its assessment area.

To assist in scoping the CRA evaluation, community contact interviews were conducted with representatives of organizations involved in the assessment area. The contacts indicated that the primary credit needs in the area were for housing, business, and consumer purposes, which were being adequately met by the local financial institutions. The contact stated that all banks in the area were involved in community development activities.

This evaluation is based on records provided by the bank, including loan and financial information; 2010 U.S. Census; FDIC records; D&B demographic data; and information gained through community contacts.

DESCRIPTION OF INSTITUTION

First Kentucky based in Mayfield, Kentucky, is wholly-owned by Exchange Bancshares, Inc., a single-bank holding company. First Kentucky is a well-established community bank with total assets of \$374.9 million, total loans of \$255.6 million, and total deposits of \$314.9 million as of December 31, 2013.

First Kentucky operates a full-service main office, nine full-service branches, and one limited service drive-thru office. All offices are located in Kentucky Non-MSA census tracts. The main office and two additional branches are located in Mayfield, Kentucky in Graves County. Two offices are located in Carlisle County, two offices are in Marshall County, one office is in Livingston County, two offices are in Muhlenberg County, and one office is located in Ohio County. The locations of First Kentucky's branches indicate a willingness to provide financial services throughout the entire assessment area. One branch is in a moderate-income census tract and four branches are in middle-income census tracts designated as distressed or underserved.

Automated Teller Machines (ATMs) are accessible at all locations. In addition to the branches listed, there are additional ATMs in Ohio and Muhlenberg County and cash dispensing only ATM in Graves County. The ATM in Graves County is located in a moderate-income tract and the ATM in Ohio County is located in a middle-income distressed/underserved census tract. Table 1 details all full-service branch locations for First Kentucky.

Table 1 – Bank Locations						
Office Name	Address	City	County	Census Tract	Tract Income Level	Date of Opening
Main Office	223 S. Sixth Street	Mayfield	Graves	203	Middle	10/21/2006
Bardwell	400 US Hwy 51 North	Bardwell	Carlisle	9506	Moderate	10/21/2006
Benton	605 Main Street	Benton	Marshall	9504	Upper	09/08/2006
Central City	109 N. Second Street	Central City	Muhlenberg	9602	Middle*	09/14/2001
Cunningham	8141 US Hwy 62	Cunningham	Carlisle	9601	Middle*	10/21/2006
Draffenville	30 US Hwy 68 West	Benton	Marshall	9502	Upper	02/02/2004
Grand Rivers	1861 JH O'Bryan Avenue	Grand Rivers	Livingston	402	Middle	07/11/2007
Greenville	145 N. Main Street	Greenville	Muhlenberg	9605	Middle*	09/14/2001
Ohio	1331 N. Main Street	Beaver Dam	Ohio	9205	Middle*	03/19/2012
South Office	1708 State Route 121 South	Mayfield	Graves	203	Middle	09/12/2001

**Denotes distressed or underserved non-metropolitan middle-income census tract*

Branches have changed since the previous CRA evaluation of November 15, 2010. First Kentucky relocated the Ohio office to a different location on the same street in Beaver Dam, Kentucky in Ohio County on March 19, 2012. One branch in Hartford, Kentucky located in Ohio County was closed March 19, 2012. Loan applications are taken at all locations and have hours allowing easy accessibility, including extended Friday hours at all branches. Branches in Graves, Marshall, and Ohio Counties have Saturday hours as well.

The bank's lending products include home mortgage, farm, commercial, and consumer loans. Home mortgage loans are offered for various purposes including home purchase or construction, refinance, home improvement, and debt consolidation. Home mortgage loans are limited to 1-, 3-, and 5-Year Adjustable Rate Mortgages (ARMs) with terms up to 30 years. Fixed-rate home mortgage loans are offered only through the secondary market. Commercial and farm loans are originated as either an installment or term; transaction fee and rates vary. Consumer loans consist mainly of automobile loans and unsecured loans with various terms. Table 2 depicts the loan portfolio, by type of loan, as of the most recent Call Report dated December 31, 2013.

First Kentucky refers loans to the secondary market. These loans are not housed on the bank's books and are not reflected in Table 2. First Kentucky, through the secondary market option, is able to offer special mortgage products designed to promote home ownership for low- or moderate-income borrowers (LMI). First Kentucky referred 222 loans totaling \$28.3 million to the secondary market since the last evaluation. Included in these 222 loans were 23 to LMI borrowers and 27 to First Time Home Buyers, totaling \$1.5 million and \$2.4 million respectively. USDA, Conventional, FHA and VA are all offered through the secondary market.

Table 2 – Loan Portfolio Composition		
Loan Type	Amount (\$000s)	Percent of Total
Construction and Land Development	7,800	3
Secured by Farmland	16,970	7
1-4 Family Residential	127,614	50
Multi-Family (5 or more) Residential	8,440	3
Commercial Real Estate	52,622	21
Total Real Estate Loans	\$213,446	84%
Commercial and Industrial	10,976	4
Agricultural	2,577	1
Consumer	23,113	9
Other	5,534	2
Total Loans	\$255,646	100%

Source: December 31, 2013, Consolidated Reports of Condition and Income Schedule RC-C

As shown in Table 2, home mortgage lending (1-4 family and multi-family) is the primary lending focus, as this type of lending makes up 53 percent of the total loan volume. Commercial lending (commercial real estate and commercial and industrial) is the next prominent lending area, with 25 percent of total loan volume coming from this area. Since commercial and home mortgage loans collectively represent 78 percent of the loan portfolio, these two loan types were analyzed to test lending performance. Agriculture lending and consumer lending represent smaller portions of the loan portfolio, at 8 percent and 9 percent, respectively. There has not been significant change in the loan portfolio composition since the previous evaluation.

The bank has no legal or financial impediments preventing it from helping to meet its assessment area's credit needs; however, there is competition within this assessment area. As of June 30, 2013, the FDIC's Summary of Deposits shows First Kentucky competes for deposits with 17 financial institutions, having 56 offices in the assessment area. As of June 30, 2013, the majority of the deposit market share, 59 percent, was comprised of five banks:

- Three local community banks
 - Community Financial Services Bank (19 percent)
 - First Kentucky (15 percent)
 - FNB Bank, Inc. (10 percent)
- Two large, regional banks
 - Old National Bank (8 percent)
 - Regions Bank (7 percent)

DESCRIPTION OF THE ASSESSMENT AREA

The assessment area designation is in conformance with CRA requirements, as it consists of whole contiguous geographies and does not arbitrarily exclude low- or moderate-income geographies.

First Kentucky has defined the assessment area as a combination of the Western assessment area and the Central assessment area. The Western assessment area consists of all of Carlisle, Livingston, Marshall and Graves Counties; located in the far western region of Kentucky. The Central assessment area consists of all of Ohio and Muhlenberg Counties; more centrally located in Kentucky. The Western assessment area is bordered by the Ohio River, the state of Tennessee and a large national park. The Central assessment area is bordered by nine other Kentucky counties and divided by the Western Kentucky Parkway (East to West) and William H. Natcher Parkway (North to South). Both Western and Central assessment areas contain counties categorized as non-MSA Kentucky counties, with similar demographics.

The 2010 U.S. Census data reports the Western assessment area consists of 20 contiguous census tracts: 3 census tracts in Carlisle County, 9 census tracts in Graves County, 2 census tracts in Livingston, and 6 in Marshall County. This assessment area has no low-income census tracts, 2 moderate-income census tracts, 11 middle-income census tracts, and 7 upper-income census tracts. The Central assessment area consists of 16 contiguous census tracts: 7 census tracts in Ohio County and 9 census tracts in Muhlenberg County. This assessment area has no low-income census tracts, 1 moderate-income census tract, 13 middle-income census tracts and 2 upper-income census tracts.

The 2010 U.S. Census data reports the population of the Western and Central assessment areas is 138,533. Table 3 includes the population of each county within the assessment area. The Western and Central assessment areas are primarily rural in nature. The city of Mayfield is the largest city in Graves County with a population of 10,115, the city of Benton in Marshall County has a population of 4,409, the city of Smithland in Livingston County has a population of 298, the city of Bardwell in Carlisle County has a population of 714, the city of Beaver Dam in Ohio County has a population of 3,515 and the city of Central City in Muhlenberg County has a population of 5,912. In the Western and Central assessment area there are 38,486 families with approximately 13 percent of these families with incomes below the poverty level.

The U.S. Department of Labor, Bureau of Labor Statistics as of February 2014, reports the unemployment rate for all counties within the assessment area are above the unemployment levels for Kentucky and the United States at 7.8 percent and 6.7 percent respectively. Table 3 lists the most significant employers within the assessment area, according to the Kentucky Cabinet for Economic Development.

Table 3 - Major Employers in the Assessment Area				
County	Percent of Population Commuting Out of County to Work	Major Employers	Type of Business	Number of Employees
Marshall (pop. 31,448)	56%	Ashland, Inc. Westlake Vinyls Inc.	Acetylene chemicals Commodity chemicals	502 319
Carlisle (pop. 5,104)	82%	Write's Sawmill Inc. Owens Sawmill Inc.	Hardwood lumber Hardwood lumber	38 14
Muhlenberg (pop. 31,499)	54%	Gourmet Express LLC Plastic Production Co Inc.	Frozen meal manufacturer/distributor Plastic injection molding	135 67
Graves (pop. 37,121)	54%	Pilgrim's Pride Corp Remington Arms Company	Poultry processing Firearms manufacturing	1,300 290
Ohio (pop. 23,842)	55%	Perdue Farms Inc. Daicel Safety Systems America LLC	Chicken processing/packaging Inflators for automotive airbags	1,225 383
Livingston (pop. 9,519)	74%	Jim Smith Contracting Vulcan Materials Co.	Asphalt paving Crushed Limestone	180 170

Source: US Department of Commerce, Kentucky Cabinet for Economic Development, 2010 US Census

According to the 2010 U.S. Census data, the Median Family Income (MFI) for the Non-MSA Kentucky assessment area was \$43,212. The Federal Financial Institutions Examination Council (FFIEC) estimated the 2013 MFI at \$44,700. For purposes of this evaluation, geographic income level classifications are based on the 2010 U.S. Census data in the Geographic Distribution of Loans. The FFIEC-estimated 2013 income figure was used to define various income levels of borrowers in the Lending to Borrowers of Different Incomes section. Table 4 defines the income levels used within this evaluation for the assessment area.

Table 4 - Median Family Income Levels for Non-MSA Kentucky		
INCOME LEVEL (PERCENT OF MFI)	2010 MFI*	2013 MFI**
	\$43,212	\$44,700
Low - Less than 50%	Less than \$21,606	Less than \$22,350
Moderate - 50% to <80%	\$21,606 < \$34,570	\$22,350 < \$35,760
Middle - 80% to <120%	\$34,570 < \$51,854	\$35,760 < \$53,640
Upper - 120% or more	\$51,854 or more	\$53,640 or more

Source: *Based on 2010 US Census Data, **Based on 2013 FFIEC estimated Median Family Income

A community contact involved in local economic development stated the local economy in Marshall County is stable with a large industrial base and additional growth with tourism due to the proximity to state parks, a national park, rivers and lakes. This contact stated the residential housing market is stable due to the proximity to water; a large number of retirees move into the area, mostly from the state of Illinois, due to the area's rural nature, proximity to several lakes and rivers and the proximity to both Paducah, Kentucky and Nashville, Tennessee. It was stated that the credit needs for housing, business and consumer purpose loans are being met by local banks. General banking needs are also being met. The contact stated large investments in community development were limited; however, Marshall County has implemented a

community project to revitalize downtown Benton and that all local banks have donated funds to the effort. It was stated that all local banks are active in the community and willing to provide donations, volunteers, and financing for local community development initiatives. First Kentucky was mentioned among the banks listed by this contact as leaders in the community.

A second community contact involved in real estate was interviewed in Graves County. This contact stated the overall housing conditions were stable. It was stated there were multiple foreclosures in the area and in the opinion of this contact this was due to the length of time between foreclosing on the property and marketing the property for sale. This contact believes the housing market has reached the bottom of decline and is starting to see housing prices increase. New home construction has significantly decreased with the economic downturn. This contact stated several banks in the area do work with the community for home loan purchases and refinancing, but that tightened credit standards for approval have hurt some in the community. It was also the opinion of this contact that there are not many first time homebuyers programs in place anymore.

Table 5 summarizes the demographic information for the Western and Central assessment areas.

Table 5 – Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	36	0	8	67	25	0
Population by Geography	138,533	0	5	68	27	0
Owner-Occupied Housing by Geography	42,988	0	4	66	30	0
Small Businesses by Geography	10,273	0	8	64	28	0
Family Distribution by Income Level	38,486	18	17	20	45	0
Demographic Characteristics	#	Percent				
Households Below Poverty Level	9,090	17	Median Housing Value			\$83,731
Families Below Poverty Level	4,925	13	Median Rent			\$501
Unemployment Percentages (Feb 2014)			Median Family Income (MFI)			
Carlisle County	8.3		2010		\$43,212	
Graves County	10.3		2013		\$44,700	
Livingston County	10.5					
Marshall County	10.1					
Muhlenberg County	10.9					
Ohio County	8.9					
Commonwealth of Kentucky	7.8					
United States of America	6.7					

Sources: Demographic Characteristics are based on 2010 U.S. Census data, Unemployment Percentages are from the U.S. Bureau of Labor Statistics

The Need and Opportunity for Community Development Activities

A review of the demographic data for the assessment area indicates poverty levels are somewhat high, with 13 percent (4,925) of all families below the poverty level. Furthermore, approximately 35 percent of the assessment area's families are classified as either low- or moderate-income. These figures indicate a continuing need for community development activities and services.

Information was gathered from bank management, CRA Public Evaluations of other banks operating in the assessment area, a community contact conducted during the examination, and other community contacts that were conducted in the area during the review period. Most of the information indicated that community development opportunities for direct investment in the assessment area were limited. Nonetheless, qualified investment opportunities are available that benefit state-wide or regional areas that include the bank's assessment area.

Despite limited direct investment opportunities in the assessment area, the demographics of the area indicate that there are opportunities to provide community development loans for the purpose of revitalization and stabilization of the three moderate-income census tracts and the 14 distressed/underserved middle-income census tracts.

Opportunities for community development services are available in the area. There are several community development organizations and civic groups that support or are directly involved in charitable organizations that provide services and support to low- and moderate-income people. Most of the community contacts indicated that banks in the assessment area were generally meeting the need for community development services.

A community contact was conducted prior to the examination and during the evaluation period. The contact was in a position to be very knowledgeable about the economic conditions of the Western Assessment Area and familiar with community development needs. He indicated that the local economy is currently stable and has not suffered as much of the ill effects of the recession due to its strong industrial base, which is concentrated in the chemical industry. The contact stated that credit needs in the area include loans for housing, business, and consumer purposes. He also indicated that the local banks seem to be meeting those needs. The contact said that all the local banks are active in the community and willing to provide donations, volunteers, and financing for local community development initiatives, within reason.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Loan to Deposit Ratio

First Kentucky's lending activity, as measured by its net loan-to-deposit (NLTD) ratio, is reasonable. First Kentucky's average NLTD ratio, based on the 13 quarters since the previous CRA evaluation is approximately 83 percent. By comparison, all peer banks within the state of Kentucky had NLTD ratios over the same time, ranging from 63 percent to 96 percent, with an average ratio of 79 percent. Additionally, two local, similarly-situated financial institutions with similar geographic demographics had an average NLTD ratio of 82 percent over the same time. Overall, First Kentucky's NLTD ratio is reasonable given the institution's size, peer comparison, product offerings, financial condition and assessment area credit needs.

Assessment Area Concentration

A substantial majority of loans and other lending related activities are within the institution's assessment area. Specifically, 84 percent of the number and 77 percent of the dollar volume of sampled home mortgages were originated within the assessment area. In addition, 92 percent of the number and 96 percent of the dollar volume of the sampled small business loans were originated within the assessment area. The distribution of the sampled loans inside and outside the assessment area within each loan category is shown in Table 6.

Table 6 - Distribution of Loans Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$ (000)	%	\$ (000)	%	\$ (000)
Home Mortgage										
2013 Sample*	31	84	6	16	37	2,834	77	867	23	3,701
Small Business										
2013 Sample**	34	92	3	8	37	3,875	96	148	4	4,023

Source: *2013 bank records, **July 1 – December 31, 2013 bank records

Further evaluation shows that of the 222 loans sold into the secondary market, 87% were originated within the institution's assessment area, strengthening the banks performance within its assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The lending to borrowers of different incomes and businesses of different sizes is reasonable.

Home Mortgage Loans

First Kentucky extends home mortgage loans to borrowers in all income categories, with a reasonable penetration of low- and moderate-income borrowers within the assessment area.

Within secondary market and portfolio ARMs, First Kentucky offers First Time Home Buyer programs. Since the previous evaluation, 27 First Time Home Buyer loans were originated for a total of \$2.4 million.

This evaluation considered an analysis of the number of loans originated to carry more significance than dollar amounts originated. The number analysis reflects First Kentucky's willingness to lend to low- and moderate-income borrowers, as these borrowers generally request smaller loan amounts. Although the home mortgage distribution by dollar volume was considered within this performance criterion, it is not presented in either table as it did not result in a different conclusion.

Table 7 displays First Kentucky's 2013 lending distribution by borrower income level for the sampled home mortgage loans extended within the assessment area. For comparative purposes, the table also includes the percentage of families within each income level according to the 2010 U.S. Census data.

Table 7 – Lending Distribution of 2013 Home Mortgage Loans by Borrower Income Level Within the Assessment Area			
Income Level	Family Population by Income Level (%)**	Sampled Home Mortgage Loans***	
		#	% of #
Low*	18	1	3
Moderate	17	5	16
Middle	20	6	20
Upper	45	19	61
Total	100	31	100

*Source: *Includes 13 percent of families below the poverty level in 2010, **2010 US Census Data, ***2013 bank records*

In 2013, performance in lending to low-income borrowers is reasonable. First Kentucky originated 3 percent of the number of sampled loans to low-income borrowers. This level of lending is slightly lower, but comparable to the 2010 family distribution income level adjusted percentage of low-income families in the assessment area which is 5 percent. The low-income category of 18 percent includes those families living below the poverty level (13 percent), and is adjusted to 5 percent to account for those families who may have difficulty in qualifying for or affording home financing. A community contact familiar with the housing market of this assessment area listed First Kentucky along with one other institution as leading lenders in the area with no complaints about the community bank's willingness to lend.

The 2013 performance in lending to moderate-income borrowers is reasonable. In 2013, the bank extended 16 percent of the sampled home mortgage loans to moderate-income borrowers. This figure is comparable to the 17 percent of moderate-income families living within the assessment area.

Small Business Loans

Table 8 displays the lending distribution of the small business loans by GAR extended in the assessment area. The table also includes the percentage of assessment area businesses by GAR according to 2013 D&B data, which is used for comparative purposes.

Table 8 – Distribution of Small Business Loans By Gross Annual Revenue Within the Assessment Area					
Business Revenue	Percent of Businesses by GAR*	Sampled Small Business Loans**			
		Number of Loans	% of #	Dollar Volume (000s)	% of \$ Volume
Less than or equal to \$1 million	73	30	88	2,699	70
More than \$1 Million	3	4	12	1,176	30
Income not available	24	0	0	0	0
Total	100	34	100	3,875	100

Source: *2013 D&B data; **July 1 – December 31, 2013 bank records

As shown in Table 8, the majority of small business loans sampled are to businesses with GAR less than or equal to \$1 million. First Kentucky's small business lending demonstrates excellent penetration among businesses of different sizes (as measured by revenue) in the assessment area. The bank extended 88 percent by number and 70 percent by dollar amount of the sampled small business loans to businesses with GARs of \$1 million or less.

Additionally, Table 9 shows that 73 percent of the number of First Kentucky's small business loans sampled was to businesses with GAR of \$250,000 or less. This percentage exceeds the percentage of businesses with GAR of \$250,000 or less within the assessment area at 64 percent. This further demonstrates a willingness to lend to the smallest of small businesses within its assessment area.

Table 9 – Small Business Loan Distribution by GAR Within the Assessment Area					
Gross Annual Revenue	Percent of Businesses by GAR*	Number	Percent	Volume (000s)	Percent
\$100,000 or Less	41	16	47	1,056	27
\$100,001 to \$250,000	23	9	26	743	19
\$251,001 to \$500,000	6	1	3	82	2
\$500,001 to \$1,000,000	3	4	12	818	21
Over \$1,000,000	3	4	12	1,176	31
Income Not Available	24	0	0	0	0
Total	100	34	100	3,875	100

Source: Bank records July 1, 2013-December 31, 2013

First Kentucky offers Small Business Association (SBA) and Farm Service Agency (FSA) loans. There were two SBA loans for a total of \$128,335 and three FSA loans for a total of \$1.2 million since the previous evaluation.

Geographic Distribution of Loans

The geographic distribution of home mortgage loans and small business loans reflects excellent dispersion throughout the assessment area. Specifics regarding performance in the assessment area can be found in subsequent sections of this evaluation.

Home Mortgage Loans

Table 10 displays the geographic dispersion of the sampled home mortgage loans extended in 2013. For comparative purposes, the percentages of owner-occupied housing units located within each census tract income designation from the 2010 U.S. Census are included.

Since the assessment area does not include any low-income census tracts according to the 2010 U.S. Census, the table only reflects moderate-, middle-, and upper-income census tracts performance. Even though performance by dollar volume was evaluated, it is not presented here, as it revealed conclusions similar to that identified by number volume.

Table 10 – Geographic Distribution of 2013 Home Mortgage Loans within the Assessment Area			
Census Tract Income Level	% of Owner Occupied Housing Units*	Sampled Home Mortgage Loans**	
		#	% of #
Moderate	4	2	7
Middle	66	24	77
Upper	30	5	16
Total	100	31	100

*Source: *2010 US Census Data, **2013 bank records*

In 2013, the distribution of sampled home mortgage loans in moderate-income census tracts is excellent at 7 percent. This figure is nearly double the 4 percent of owner-occupied housing units within moderate-income census tracts in the bank's assessment area.

Table 11 displays a more detailed depiction of the percentage of owner-occupied housing units within the assessment area. The bank's level of lending within middle-income census tracts designated as distressed or underserved is 48 percent in the sampled home mortgage loans in 2013. Approximately, 33 percent of owner-occupied housing units within the assessment area are within middle-income census tracts designated as distressed or underserved. This further demonstrates an excellent dispersion with a willingness to lend not only in moderate-income census tracts, but also in middle-income census tracts that are distressed or underserved.

Table 11 – Geographic Distribution of 2013 Home Mortgage Loans within the Assessment Area			
Census Tract Income Level	% of Owner Occupied Housing Units**	Sampled Home Mortgage Loans***	
		#	% of #
Moderate	4	2	7
Distressed or Underserved*	33	15	48
Middle	33	9	29
Upper	30	5	16
Total	100	31	100

Source: *Middle-income distressed or underserved census tracts, **2010 US Census Data, ***2013 bank records

Small Business Loans

The geographic distribution of sampled small business loans reflects excellent dispersion throughout the assessment area relative to the percentage of small businesses located within each geographic category. Table 12 contains a depiction of the sampled small business loans extended within the assessment area in 2013. Since the assessment area does not include any low-income census tracts according to the 2010 U.S. Census, the table only reflects moderate-, middle-, and upper-income census tracts performance.

Table 12 – Geographic Distribution of Small Business Loans within the Assessment Area					
Census Tract Income Level	% of Small Businesses*	Sampled Small Business Loans**			
		Number of Loans	Percent of Number	Dollar Volume (000s)	Percent of Dollar Volume
Moderate	8	8	24	404	10
Middle	64	13	38	1,610	42
Upper	28	13	38	1,861	48
Total	100	34	100	\$3,875	100

Source: *2010 US Census Data; **July 1 – December 31, 2013 bank data

First Kentucky extended 24 percent of the number and 10 percent of the dollar amount of the sampled small business loans to businesses within moderate-income geographies. The number of loans within moderate-income census tracts is significantly higher than the percentage of the assessment area's small businesses within moderate-income census tracts at 8 percent. Although not included in Table 12, the bank extended 3 of the sampled 34 loans (or 9 percent) within middle-income census tracts designated as distressed or underserved. The bank's high level of small business lending within moderate-income census tracts, in addition to lending within distressed/underserved middle-income census tracts, demonstrates excellent performance for this criterion.

RESPONSE TO COMPLAINTS

A review of FDIC records and First Kentucky's CRA public file did not reveal any complaints relating to the bank's CRA performance since the prior evaluation dated November 15, 2010.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices were identified during the examination.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates excellent responsiveness to community development needs in its assessment area through community development loans, qualified investments and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

Community Development Lending

First Kentucky's level of qualified community development lending demonstrates excellent responsiveness to the community needs within the assessment area. Table 13 displays the bank's community development lending since the previous evaluation.

Table 13 – Qualified Community Development Loans Extended Within the Assessment Area										
Activity Year	Qualifying Category								Totals	
	Affordable Housing		Community Development Organizations		Economic Development		Revitalize or Stabilize LMI Geographies*			
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
2010	0	0	0	0	0	0	0	0	0	0
2011	1	36	3	217	1	150	1	12	6	415
2012	5	932	2	3,877	2	121	2	860	11	5,790
2013	16	1,405	0	0	6	1,059	2	1,480	24	3,944
Total	22	2,373	5	4,094	9	1,330	5	2,352	41	10,149

Source: Bank Records. * Low- Moderate-Income, Disaster, Distressed, or Underserved

As shown in Table 13, the bank has funded 41 community development loans for a total of approximately \$10.1 million in the assessment area since the previous evaluation. Community development loans comprise approximately 4 percent of net loans (\$251.5 million as of December 31, 2013). The majority of these loans support affordable housing options for low- and moderate-income borrowers. A sample of the more significant community development loans are as follows:

- In 2013, First Kentucky extended a loan for \$765,000 to a developer to finance affordable housing rental units within Marshall County, Kentucky. All rentals within this 18-unit complex have rents significantly lower than the median rent levels for this county and will provide affordable housing options to low- and moderate-income individuals in Marshall County (Affordable Housing).

- In 2012, First Kentucky originated an \$850,000 loan to construct a new business within a distressed/underserved middle-income area in Ohio County, Kentucky. This new business created 10 jobs for low- and moderate-income individuals and assisted in revitalizing and stabilizing this portion of the assessment area (Revitalize and Stabilize).
- In 2011, First Kentucky extended a \$150,000 loan to a farm in Graves County, Kentucky. This loan established a new crop production location and created nine jobs for low- and moderate-income individuals in the area. The creation of jobs within this county aids in economic development of the assessment area (Economic Development).
- In 2011, First Kentucky originated a \$62,100 loan to a community group that provides various programs for low- and moderate-income families. The bank continues to support the needs of its assessment area by lending to community development organizations (Community Development Organizations).

Although not included within Table 13, First Kentucky also extended three large-dollar community development loans to businesses outside the assessment area but in the broader state wide area. These loans were for new businesses within one low-, one moderate-, and one middle-income census tract within near counties in Kentucky. The three loans totaled \$2.4 million and created several jobs for low- and moderate-income individuals.

Community Development Investments

First Kentucky's level of qualified community development investments demonstrates excellent responsiveness to the community development needs of the assessment area. For this analysis, consideration was given to the availability of community development opportunities in the assessment area as well as the capacity for the local infrastructure to create qualified investments. A local community contact confirmed similar conclusions of the bank's self-assessment of a lack of available large investments within the assessment area. Therefore, First Kentucky presented numerous qualified donations within the assessment area, in addition to qualified investments that benefit the state of Kentucky. Table 14 summarizes the bank's qualified community development investments and donations in the assessment area since the previous evaluation.

By dollar volume, the largest qualified investment activity was in the purchase of revenue bonds for school districts located in distressed/underserved geographies and is comprised primarily of low- or moderate-income students within Muhlenberg County.

- Muhlenberg County School district received two revenue bonds from First Kentucky in the amount of \$1,170,000:
 - One bond in the amount of \$755,000
 - One bond in the amount of \$415,000
- Proceeds from both bonds are to finance construction of a new elementary school. Fifty-eight percent of students are eligible for free or reduced lunches. This school is located in a middle-income tract, in an underserved or distressed area.

Additionally, First Kentucky donated \$74,189 to organizations in the assessment area whose activities are defined as community development (\$23,578 in 2011, \$31,560 in 2012, and \$19,051 in 2013). Donations are primarily to not-for-profit organizations, which serve low- or moderate-income individuals or support other community development or economic needs. The largest donations were for the \$16,000 annual fee for the software and training material involved with EverFi Financial Literacy program. First Kentucky sponsors the EverFi Financial Literacy program in most of the high schools and some elementary schools (it is called Vault for elementary schools) within the bank's assessment area. EverFi is an online learning platform that uses the latest technology-video, animations, 3-D gaming, avatars, and social networking to bring complex financial concepts to life for today's digital generation. For high school, some examples of topics include credit scores, credit cards, mortgages, taxes, insurance, and investing. For elementary schools, some of the topics include money choices, income and careers, credit and borrowing, and saving and investing. The annual donation of \$16,000 to this program ensures the training materials are available to students to complete this program. Bank employees administer this financial literacy program to schools where a majority of students are on free- or reduced-price lunch plans.

Table 14 – Qualified Investments Within the Assessment Area										
Activity Year	Qualifying Category								Totals (000s)	
	Affordable Housing(000s)		Community Development Organizations (000s)		Economic Development (000s)		Revitalize or Stabilize LMI Geographies* (000s)			
	#	\$	#	\$	#	\$	#	\$	#	\$
2010	0	0	0	0	0	0	2	1,170	2	1,170
2011	2	<1	38	21	0	0	1	3	41	24
2012	0	0	46	28	1	<1	2	3	49	32
2013	0	0	21	19	0	0	0	0	21	19
Total	2	<1	105	68	1	<1	5	1,176	113	1,245

Source: Bank Records. * Low- Moderate-Income, Disaster, Distressed, or Underserved

Table 14 displays the 113 community development investments totaling \$1.2 million in since the last evaluation. As of December 31, 2013, First Kentucky community development investments in the assessment area represent 1.4 percent of total investments.

Not included within Table 14, are nine investments outside of the assessment area. Due to the low level of opportunity for investments within the assessment area, First Kentucky found investments that benefit the state of Kentucky. Details of the nine investments are listed below:

- Whitley County School district received a revenue bond from First Kentucky in the amount of \$850,000. Proceeds from the bond are to be applied to finance the additions and renovations of Whitley County High School (WCHS). Seventy-three percent of students are eligible for subsidized lunches. WCHS is in a moderate-income tract in Whitley County, Kentucky.

- Montgomery County School district received a revenue bond from First Kentucky in the amount of \$500,000. Proceeds from the bond are to be applied to finance the construction of a new elementary school. This school is located in a middle-income tract, in an underserved/distressed area.
- Clark County School district received two revenue bonds from First Kentucky in the amount of \$400,000. Proceeds from the bond are to be applied to finance the construction of a new high school located in a middle-income census tract. The previous two high schools within the county average 53 percent of students on free or reduced lunch programs.
 - One bond in the amount of \$250,000
 - One bond in the amount of \$150,000
- Cumberland County School district received a revenue bond from First Kentucky in the amount of \$500,000. Proceeds from the bond are to be applied to finance the improvements to the Cumberland County Middle School. Seventy-four percent of students are eligible for subsidized lunches. This school is located in a moderate-income tract.
- Metcalf County School district received a revenue bond from First Kentucky in the amount of \$1,000,000. Proceeds from the bond are to be applied to finance the construction of a new elementary school located in a middle-income census tract designated as distressed/underserved. It is estimated that 70 percent of the new elementary school students will be eligible for free or reduced lunches.
- Nelson County School district received a revenue bond from First Kentucky in the amount of \$250,000. Proceeds from the bond are to be applied to finance Phase I construction of a new high school. This school is located in a moderate-income tract.
- Paducah Independent School district received a revenue bond from First Kentucky in the amount of \$500,000. Proceeds from the bond are to be applied to finance construction of a new middle school. Seventy-four percent of students are eligible for subsidized lunches. This school is located in a moderate-income tract.
- Lexington-Fayette Urban County Government received a revenue bond from First Kentucky in the amount of \$880,000. Proceeds from the bond are to be applied to finance the acquisition of various equipment for departments within the Lexington-Fayette Urban County Government, including, but not limited to, improvements to recycling facilities and other revitalizing operations.

The additional nine bond investments that benefit the broader state wide area, brings the total community development investments to \$6.1 million since the previous evaluation. This level of qualified community development investments represents 7.0 percent of total investments as of December 31, 2013. First Kentucky's qualified investments demonstrated excellent responsiveness to the community development needs in the assessment area.

Community Development Services

First Kentucky's level of qualified community development services demonstrates excellent responsiveness to the community development needs of the assessment area. Table 15 summarizes the bank's qualified community development services in the assessment area since the previous evaluation. The table shows widespread involvement in community development services since the last evaluation.

Table 15 – Community Development Services (Number)				
Year	Qualifying Category			Total
	Bank Sponsored Event, Program, or Seminar	Technical Assistance or Direct Involvement by Bank Employee	Bank Product or Service	
2011	10	22	1	33
2012	21	59	1	81
2013	15	77	3	95
Total	46	158	5	209

Source: Bank Records

Among the institution's community development services are financial education programs given to local schools inside the assessment area. These programs include:

- GC Trust: A student-run bank located inside Graves County High School (GCHS). First Kentucky sponsors and helps facilitate GC Trust. Students are taught how to manage and market a bank. Students of GCHS can use GC Trust for savings accounts and loans.
- EverFi: A financial literacy platform sponsored and funded by First Kentucky, predominately used for senior classes in local high schools. Students should be able to take this knowledge of such subjects as credit, money management, and mortgages to good use in the real world after graduation. A majority of students at these high schools are on free- or reduced-price lunch plans.
- EverFi Vault: A financial literacy platform sponsored and funded by First Kentucky, predominately used for fifth graders in local elementary schools. The goal of this program is to start financial literacy early in the schools so that students will be financially literate by the time they reach adulthood. A majority of students at these elementary schools are on free- or reduced-price lunch plans.

Bank officers, directors, and employees have participated in numerous community development activities that are summarized below. Many of these services are implemented through local charities and other community development organizations that respond to community initiatives by providing services for low- and moderate-income individuals and families.

- A bank official has served three years on the Board for the Graves County Habitat for Humanity organization, which provides affordable housing for low- and moderate-income families in the area
- A bank official has served two years as a voting member of the loan committee of Purchase Area Development District organization which administers SBA loan programs to benefit start-ups and small businesses in the assessment area

- A bank official has served three years for the Muhlenberg Career Development Center, which offers career planning, on-the-job training, job placement, residential housing, food service, driver's education, health and dental care, a bi-weekly basic living allowance and clothing allowance, at no cost to the students or their families
- A bank official is the Chairman of the Board of the West Kentucky Regional Chamber Alliance. This organization promotes the economic development of Western Kentucky Counties
- Bank officials offer their financial expertise on the following county's Chamber of Commerce's Boards:
 - Ohio County
 - Muhlenberg County
 - Graves County
 - Marshall County

Additionally, First Kentucky has one branch in a moderate-income census tract and four branches with middle-income census tracts designated as distressed or underserved. Automated Teller Machines (ATMs) are accessible at all locations. In addition to the branches listed, there are additional ATMs in Ohio and Muhlenberg County and cash dispensing only ATM in Graves County. The ATM in Graves County is located in a moderate-income tract and the ATM in Ohio County is located in a middle-income underserved/distressed census tract. Positive consideration is given for making financial services available in these areas.

First Kentucky also offers the following bank product/services as community development activities:

- Be a Sole Mate – First Kentucky organized a shoe drive/fundraiser entitled “Be a Sole Mate” for all schools in the bank’s assessment area. The funds and shoes collected were donated the Family Resource Center Coordinators of each school then dispersed to low- and moderate-income children in need of new/proper footwear
- Money Services Businesses – First Kentucky serves as the correspondent bank for five Money Services Businesses. These businesses make financial services available to the un-banked, low-, and moderate-income individuals
- Bright Start Checking – This is a new product since the previous evaluation offered to help reach the un-banked, low- and moderate-income population in the area. The account gives the customer access to a bank account while providing them additional financial assistance. The customer receives a financial tip kit at account opening and account privileges are added after six months in consecutive good standing

The bank also offers special mortgage products designed to promote home ownership for first time or low- or moderate-income borrowers.

APPENDIX A

GENERAL DEFINITIONS

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm

loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a

rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.